

ILLINOIS COMMERCE COMMISSION

PUBLIC ACT 100-0432

CLASS I RAILROAD SUPPLIER DIVERSITY REPORT

2019 REPORT

RAILROAD NAME: Soo Line Railroad Company d/b/a Canadian Pacific

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DATE SUBMITTED: August 6, 2020

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INTRODUCTION:

RAILROAD SUPPLIER DIVERSITY ACT

Pursuant to the policy expressed in 610 ILS 140/10 and 220 ILCS 5/117, the Railroad Supplier Diversity Act (“Act”) of working collaboratively to improve supplier diversity, we are voluntarily providing the following information. This submission should in no way be construed as establishing a requirement that Soo Line Railroad Company (d/b/a Canadian Pacific) or any of its affiliates (collectively, “CP”) provide additional information either requested in the Act or related information. Further, this submission should in no way be construed as establishing a requirement that CP submit similar information in the future. We understand that the information provided by CP in response to your request will be used for the limited purposes described in the Act. If the Illinois Commerce Commission intends to use the information for other purposes, we request that you inform us of those purposes.

DIVERSITY AT CP

CP is committed to increasing diversity. This includes striving to maintain and increase diversity at the Board level through to our executives, senior management and employees.

CP understands that a diverse and inclusive work environment provides a broader range of experience and perspectives that, in turn, creates a stronger and more successful railway.

CP supports the principle of boardroom diversity for all of its affiliates. The Corporate Governance and Nominating Committee, which is responsible for recommending director nominees to the Board, seeks to attract the highest quality of director nominees. In making recommendations, the Corporate Governance and Nominating Committee will take into account diversity considerations, such as gender, age, veteran status, cultural heritage and regional representation.

CP is a founding member of the Canadian Board Diversity Council, an organization that is dedicated to advancing diversity on Canadian boards. CP is also a member of the 30% Club, a leading international organization created with the aim of developing a diverse pool of talent for all businesses through the efforts of members who are committed to better gender balance at all levels of their organizations.

PROGRAM COMPONENTS:

CP is committed to a policy of non-discrimination in its purchase of goods and services throughout North America. It is our policy to offer equal opportunity to all capable vendors, regardless of race, color, religion, national origin, sex, age or physical handicap. In the United States, CP recognizes the importance of the objectives of the Disadvantaged Business Enterprise (DBE) Program, which provides an enhancement of opportunities for businesses in which at least 51% of the ownership and the management are controlled by U.S. citizens from one or more of the following groups: Black Americans, Hispanics, Portuguese, Asian Americans, Native Americans/Alaskan Natives, and Females of any race.

Onboarding registration requests the following information:

- Company Information
- Contact Information
- Company Biography Information (including a list of all railway customers)
- Ownership Information
- Proof of Disadvantaged Business Enterprise Status
- Link to online application: <https://www.cpr.ca/en/about-cp/selling-to-cp/policies-and-guidelines/disadvantaged-enterprise-form>

Identification as a disadvantaged business enterprise:

- Females
- Black Americans
- Asian-Pacific Americans
- Subcontinent Asian-Pacific Americans
- Hispanic Americans
- Native Americans
- Disabled
- Disadvantaged
- Veterans
- HUBZones

DIVERSE SPEND IN THE STATE OF ILLINOIS FOR 2019

CP Diversity Spend identified in this report utilized the following criteria: 1) Supplier identified as a disadvantaged business enterprise, 2) Supplier's head-quarters is located in Illinois and not simply a branch location, and 3) the work (services) was performed in Illinois or the goods were produced in Illinois:

Calendar Year	2019
Diversity	3 Vendors
Spend	\$5.81m USD
Diversity Category	MBE

UPDATES FROM 2018 REPORT

- We plan to encourage increased participation by DBEs across our network in contracts with CP for all goods and services by requesting information in application documents (such as Requests for Information and Requests for Proposals) related to DBE status.
Update: 1) MBE criteria incorporated as part of new Request for Proposal (RFP) template documentation. 2) Proponents or potential Suppliers are advised upfront MBE status is considered when evaluating Supplier proposals.
- We plan to explore technology to incorporate additional Diversity categories at the initial stage of the Supplier onboarding process in order to improve Diversity metrics reporting.
Update: Ariba (A SAP Contract and Vendor database platform) replacement is underway at CP. With this new platform the Vendor has the ability to self-identify and categorize their MBE designation.
- We plan to consult with Rail Marketplace, an e-commerce exchange created by North America's largest railroads, to assist in identifying current and potential future minority Suppliers by location and spend category.
Update: CP participation resulted in consolidated list of MBE railroad suppliers including name, location, contact information, commodity/service descriptions, and diversity classification. This Class I Railroad derived list has been circulated within CP's Sourcing Department for review, applicability, and future consideration.

- CP had two employees, one from Government Affairs and one from Strategic Procurement & Supply Department, attend the CREATE Program's 3rd "GET ON BOARD" business-to-business networking affair tailored for the rail industry in Chicago, IL on January 24, 2019.

Update: CP will continue to attend and support this forum as it provides a beneficial B2B networking opportunity for both Suppliers and Railroads alike.

- We will consider membership with the U.S. National Minority Supplier Development Council <http://www.nmsdc.org>.

Update: CP is still reviewing membership opportunities with the NMSDC.

Departmental Update for 2020: July - CP's Strategic Procurement & Supply (SP&S) Department has formed a sustainability team which will be tasked with building the recommendations for the implementation plan as well as the tools required to fulfill the expectations of CP's new Supplier Code of Conduct Policy. Where CP is committed to working with and developing relationships with Suppliers who share common values such as:

- Promoting employment equity, inclusivity and diversity across its workforce;
- Maintaining a workplace that is free from harassment, discrimination or violence;
- Respecting the fundamental human rights of the communities in which they operate; and,
- Respecting the cultures, customs and values of the communities in which they operate, including respecting the rights of Indigenous peoples.

Assistance from the Commission

- CP would be happy to receive a list of qualified MBE Suppliers providing a description of products and services, a description of projects, and scope of work they perform.

Appendix 1

Canadian Pacific Illinois Supplier Diversity Report 2018



Canadian Pacific
Illinois Supplier Dive